

Memorandum

To: Panel Members Date: June 26, 2003

From: Creighton Chan, Manager
Peter DeMauro, General Counsel Analyst: A. Emerson

Subject: One-Step Agreement for **Bay Area Video Coalition**
(bavc.org)

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: companies with out-of-state competition
- Legislative Priorities: Displaced/Potentially displaced workers
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: None of the core group of employers is represented by a collective bargaining agreement.

CONTRACT:

- Program Costs: \$1,001,455
- Substantial Contribution: \$0
- Multiple Employer Support (0%) \$0
- Total ETP Funding: \$1,001,455
- In-Kind Contribution: \$525,525
- Maximum Contractor Charge: \$0 per trainee
- Reimbursement Method: Budget (Negotiated Rate)
- County(ies) Served: Northern Nine Bay Area Counties
- Duration of Agreement: 24 months

SUBCONTRACTORS:

None.

THIRD PARTY SERVICES:

None.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

Agreement No.	Location (City)	Term	Agreement Amount	Amount Earned	% Earned
ET9-1095	San Francisco	6/30/99-6/29/01	\$809,250	\$501,375	62%

Performance under this project was impeded by the economic downturn during the last six months of the Agreement, which resulted in fewer participating employers hiring program graduates.

ACTIVE PROJECTS:

The following are current project statistics:

Agreement No.	Term	Agreement Amount	Number To be Retained	Number Enrolled	Number Completed Training	Number Hired (Complete for new hires only)	Number retained for 90 days
ET02-0323	6/3/02-6/2/04	\$1,197,905	815	174	70	N/A	0

Performance under this project has been hesitant during the past year due to two factors: the need of some employers to relax training schedules during volatile economic times, and the decrease in participating employers since the end of the preceding contract (which BAVC is addressing by rebuilding a larger company base).

NARRATIVE:

The Bay Area Video Coalition (BAVC) is eligible to enter into an ETP contract under California Unemployment Insurance Code, Section 10205(c) as an eligible training agency and is certified by the Bureau of Private Postsecondary and Vocational Education to offer the training proposed under this project. As a not-for-profit organization which provides high-end technology skills in video, web, and multimedia production, BAVC will provide retraining for companies with out-of-state competition. This proposed Agreement, if approved, would be the school's third ETP contract during the past five years.

Founded in San Francisco in 1976 by the Rockefeller Foundation, BAVC is the nation's largest media arts center that provides courses covering all aspects of video, web and multimedia production. The school offers a year-round comprehensive schedule of over 400 workshops and seminars to more than 5,000 students yearly on state-of-the-art equipment, serving industry professionals, educators, business leaders, and independent artists. The school offers certification programs in Videography, Multimedia, AVID Editing, and Digital Postproduction.

California and the Bay Area/Silicon Valley in particular, have been at the forefront of media technology development. Currently, given the industry's loss in revenues, technology companies are looking for ways to cut costs. BAVC representatives state that their experience indicates that ETP investment in specialized training at BAVC will help keep companies competitive, keep them in business, and keep them in California. Technology companies trained at BAVC generally are net exporters and contribute to the local economic base. Moreover, because many large and small production businesses face sagging revenues and must often consider more affordable regions in which to relocate or expand, this is a critical time to support media technology companies and workers in California. A highly skilled and specialized workforce is a major competitive advantage and a primary draw for technology companies to locate and remain in the state.

This project is designed to retrain staff of local, for-profit firms, the majority of which are small businesses employing under 100 staff, so that employees may obtain skills in the above-described technologies, thereby enabling their employers to become more competitive in a burgeoning industry. The all-classroom/laboratory training plan, ranging from 40 to 80 hours in length, will also help trainees receive real opportunities for career growth. Training will be delivered by BAVC at its San Francisco site, though some instruction may occur during working hours at select participating employer sites. All instruction and administration will be the sole responsibility of the Contractor.

Employer Demand

According to the prospective Contractor, despite the recent flurry of media attention on the demise of small dot coms and the downturn in the United States economy, the Internet and digital media technologies remain on the ascent; and related skills are key to employability in high-paying digital sectors of the economy. BAVC representatives state that while high-tech companies started the trend, digital and media technologies have increasingly become the backbone for communication, advertising, e-commerce, and information management for old-economy businesses, from manufacturing to retail. In fact, it is old-economy companies that now account for the most information technology (IT) job creation as they develop their technological infrastructures, reporting many unfilled technology service and support positions in any given department. These companies, BAVC maintains, as well as traditional entertainment companies, have also built their production capacities for video as they address the need to communicate internally and externally. Given increased technology use, companies are finding two demand trends at both the local and national levels:

NARRATIVE: (continued)

- 1) Demand for new workers in web, video, and digital media; and
- 2) Demand for skill upgrades for incumbent workers in web, video, and digital media.

As a certified AVID Training Center and Apple Media Technology Center, BAVC is well known in the multimedia community as the place to go to learn the latest software applications. The school's relationships with leading multinational and national firms has allowed it to provide companies with training in cutting-edge technology before it even hits the market. BAVC assesses its curriculum and customizes it to individual employers and the media industry. In addition, all industry trainees at BAVC are surveyed after each training workshop to assess the relevance of the curriculum, their future training needs and their satisfaction with the training. The results of the surveys are reviewed on a weekly basis to complement ongoing data gathering on company training needs and to shift curriculum and offerings accordingly.

Supplemental Nature of Training

According to the prospective Contractor, its core employers are committed to providing employees with the training they need to grow and succeed in the industry. Due to the recent economic downturn, BAVC maintains, many are unable to shoulder the expense of formal training programs for their employees, making ETP training funds even more critical for these companies. BAVC will notify each participating employer of the supplemental nature of the ETP instruction via the employer orientation packet each company liaison receives and by posting this information on the BAVC web site. Further, each participating employer must complete a certification statement outlining the supplemental nature of training, the employer's commitment to training, and their in-kind contribution. With regards to the core group of participating employers, the proposed instruction is supplemental in one of two respects: either the employer has not and cannot provide instruction in the subject matter needed or the employer has offered only a small amount of unstructured, on-the-job training in rudimentary multi-media skills. In the latter case, trainees typically are given a manual on a new software program to read and absorb without guidance from an instructor and are not tested on competencies gained.

In-Kind Contribution

BAVC agrees that employers should contribute to their own retraining efforts. Employers contribute significantly--approximately \$525,525 towards this proposed contract--to ETP-sponsored training at BAVC. In-kind employer contribution comes in two forms:

1. Approximately 71 percent of all participating employers shall pay trainee wages during training, which in this instance approximates a \$367,867 contribution.
2. Based on data from the previous contract, employer liaisons at each company spent between one and two hours per trainee during the contract term conducting training needs assessments, processing forms, setting up trainee orientation sessions, signing off on scheduling changes, verifying employee retention and participating in labor market information surveys. Expecting similar levels of employer liaison support, this would total, on average, a \$166,133 in-kind contribution of administrative employee wages.

COMMENTS:

At least 462 trainees will be provided mandatory, paid training. However, BAVC states that voluntary training outside of work hours for the remaining 188 trainees largely involves small or micro-sized participating employers. BAVC agrees that the proposed training meets all criteria specified in Section 46.6.5.1 of the California Division of Labor Standards Enforcement, Enforcement Policies and Interpretation Manual, for non-compensatory training.

With the exception of approximately 20 managers with supervisory authority, three percent of the training population, all program participants meet the Panel definition of a frontline worker under Title 22, California Code of Regulations, Section 4400(ee). Further, no upper management staff that sets company policy will be enrolled in the ETP training program.

Contractor agrees that during ETP-funded training, none of the participating employers' trainees will produce products or provide services that will ultimately be sold.

Should any trainee be covered by a collective bargaining agreement, a union support letter must be obtained and approved by ETP prior to that person's start of training.

The hourly reimbursement rate of \$30.10 per hour is substantiated by a budget and is similar to other reimbursement rates approved by ETP for companies in the same industry. The trainer-trainee ratio during the delivery of Advanced Technologies training will average 1:6.

PROPOSED ACTION:

Staff recommends approval of this One-Step Agreement if the Panel finds that the applicant's proposal for a portion of training being voluntary is reasonable, and if funds are available and the project meets Panel priorities. This recommendation is based on the fact that BAVC will provide retraining that will provide program participants increased job security and assist multi-media employers to better compete in a depressed economic environment.

TRAINING PLAN:

Grp/Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs	No. CBT Hrs	No. SOST Hrs.	Cost per Trainee	Hourly Wage after 90 days
Job Numbers 1-4 Retrainees	Menu Curriculum: Computer Skills Advanced Technologies	650	40-80	0	0	\$1,204- \$2,408	\$12.22- \$61.37
						<u>Range of Hourly Wages</u> \$12.22-\$61.37	
						<u>Prevalent Hourly Wage</u> \$26.76	
						<u>Average Cost per Trainee</u> \$1541	
<u>Health Benefit used to meet ETP minimum wage:</u> Although the participating companies pay health benefits for their employees, the hourly contribution is not being used to meet ETP minimum wage requirements.					<u>Turnover Rate</u> Not to exceed 20%	<u>% of Mgrs & Supervisors to be trained:</u> 3%	

CURRICULUM

BAVC Advanced Technology Courses Menu Curriculum

**Class/lab
40 - 80**

Course

Macintosh Operating System for Media Producers
Investigating Mass Media Strategies
Distributing Outside the Box
Getting Documentaries Off of the Shelves and into the Streets
The History of Documentary: 1890 - 1970
The History of Documentary: 1970 – Present
Planning and Managing a Video Project
Producing Your Documentary
Video Production
Shooting Techniques I
Shooting Techniques II: Beta Standard Play
Shooting Techniques II: Digital Video
Shooting Techniques II: Electronic Field Production
Lighting
Interviewing Techniques
Lighting for Interviews
Pro Video: Beta Standard Play
Pro Video: Digital
Video Production Hints and Tips
Video Installation and Performance
Post-Production
Introduction to Nonlinear Editing
Nonlinear Editing Master Class
Video Technology
Careers in Editing
Designing a Demo Reel
How to Build a Desktop Video Editing System
Postproduction Fundamentals I
Postproduction Fundamentals II
Premiere
Final Cut Pro 101-Final Cut Pro Editing
Final Cut Pro 120-Final Cut Pro Editing for the Experienced Editor
Final Cut Pro 201 – Advanced Editing Techniques in Final Cut Pro
Final Cut Pro 210 – Effects in Final Cut Pro
Final Cut Pro 250 – Final Cut Pro Editing for Avid Editors
Final Cut Pro 310 – Color Corrections and Finishing in Final Cut Pro
Film Logic 110 – Film Logic and Final Cut Pro
DVD Studio Pro 100 – DVD Studio Pro Overview
DVD Studio Pro 101 – Creating DVD's

BAVC
Advanced Technology Courses
Menu Curriculum (Cont.)

Avid 101: Media Composer Editing
Avid 110: Introduction to Media Composer Effects
Avid 117: Introduction to Avid Xpress for Macintosh and Windows NT
Avid 119: Xpress Digital Video Editing
Avid 129: Introduction to Avid Xpress Digital Video Effects
Avid 201: Advanced Techniques for Media Composer
Avid 205: Avid Media Composer Troubleshooting
Avid 305: Advanced Media Composer Effects
Avid 310: Creating Graphics and Mattes with Avid Media Composer and Adobe Photoshop
Avid 329: Creating Graphics for Avid Xpress Digital Video with Adobe Photoshop
Avid Assistant Editing
Avid Beginning Bootcamp
Avid Master Editing Class: The Art of Documentary
Avid Intensive Project
Video Engineering I
Video Engineering II
Video Engineering: Using Waveform and Vectorscope Monitors
Introduction to Digital Audio
Production Sound Basics
Digital Music Composition
Adding Music to Picture
Introduction to Logic Audio
Digital Performer
Multi-Channel Audio: Exploring Production Pathways
Reason
Musical Instrument Digital Interface
Advanced Audio Editing: Video and Film
Pro Tools 101
Pro Tools 201
Boris Red
Photoshop I
Photoshop II
Photoshop III
Introduction to Illustrator
After Effects I
After Effects II
After Effects III
After Effects III: Production Bundle
After Effects III: 3D and Scripting
After Effects Bootcamp
Commotion 101 – Introduction to Commotion
Special Effects and Discreet Combustion
Maya I

BAVC
Advanced Technology Courses
Menu Curriculum (cont.)

Maya II
Softimage X/Open System Interface Transition Animator
Graphical User Interface Design
Careers in Computer Gaming
Introduction to Web Design Applications
Hyper Text Markup Language I
Hyper Text Markup Language II
Dreamweaver
Director
Flash I
Flash II
JavaScript I
JavaScript II
Introduction to Active Server Pages (ASP)
Introduction to Databases and the Structured Query Language (SQL)
Introduction to Database Applications
UNIX 101: An Introduction to UNIX
Applescript
Web Video I
Web Video II
Web Audio

**Participating Employers in Retrainee/New Hire
Multiple Employer (MEC) Agreements
(ETP 100B)**

Contractor's Name: Bay Area Video Coalition

CCG No.: ET03-0379

Reference No: 03-0454

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PRINT OR TYPE

Company: Bay Guardian Co., Inc.

Address: 135 Mississippi St.

City, State, Zip: San Francisco, CA 94107

Telephone No.: 415-255-3100

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 72

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Conwest Resources

Address: 1177 Harrison St.

City, State, Zip: San Francisco, CA 94103-4508

Telephone No.: 415-431-7722

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 35

Estimated # of employees to be retrained or hired under this Agreement: 10

Company: Filmcore

Address: 545 Sansome St.

City, State, Zip: San Francisco, CA 94111

Telephone No.: 415-397-8400

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 63

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Goodby, Silverstein & Partners

Address: 720 California St.

City, State, Zip: San Francisco, CA 94108

Telephone No.: 415-296-1717

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 289

Estimated # of employees to be retrained or hired under this Agreement: 50

**Participating Employers in Retrainee/New Hire
Multiple Employer (MEC) Agreements
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Company: Intel

Address: 2200 Mission College Blvd.

City, State, Zip: Santa Clara, CA 95054

Telephone No.: 480-653-5231

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide:

Estimated # of employees to be retrained or hired under this Agreement: 9

Company: KNTV

Address: 645 Park Ave.

City, State, Zip: San Jose, CA 95110

Telephone No.: 480-286-1111

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 215

Estimated # of employees to be retrained or hired under this Agreement: 12

Company: Lincoln Broadcasting

Address: 100 Valley Drive

City, State, Zip: Brisbane, CA 94005

Telephone No.: 415-468-2626

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 100

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Macy's West

Address: 170 O'Farrell Street, 10th Floor North

City, State, Zip: San Francisco, CA 94102

Telephone No.: 415-984-7230

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 26,900

Estimated # of employees to be retrained or hired under this Agreement: 30

**Participating Employers in Retrainee/New Hire
Multiple Employer (MEC) Agreements
(ETP 100B)**

Contractor's Name: Bay Area Video Coalition

CCG No.: ET03-0379

Reference No: 03-0454

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Company: Mondo Media

Address: 135 Mississippi St., Third Fl.

City, State, Zip: San Francisco, CA 94107

Telephone No.: 415-865-2700

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 20

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Sawyer Media Systems, Inc.

Address: 1355 Sansome St., First Floor

City, State, Zip: San Francisco, CA 94111

Telephone No.: 415-395-4023

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 22

Estimated # of employees to be retrained or hired under this Agreement: 18

Company: Rosai Group, Inc.

Address: 2727 Mariposa, #103

City, State, Zip: San Francisco, CA 94110

Telephone No.: 415-522-5990

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 12

Estimated # of employees to be retrained or hired under this Agreement: 10

Company: Wells Fargo Wholesale Internet Solutions

Address: 160 Spear St. 12th Floor

City, State, Zip: San Francisco, CA

Telephone No.: 415-498-1728

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 280

Estimated # of employees to be retrained or hired under this Agreement: 30

**Participating Employers in Retrainee/New Hire
Multiple Employer (MEC) Agreements
(ETP 100B)**

Contractor's Name: Bay Area Video Coalition

CCG No.: ET03-0379

Reference No: 03-0454

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Company: Wildbrain

Address: 2650 18th St.

City, State, Zip: San Francisco, CA 94110

Telephone No.: 415-553-8000

Collective Bargaining Agreement(s): n/a

Total # of full-time company employees worldwide: 75

Estimated # of employees to be retrained or hired under this Agreement: 30
